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MR. PRESIDENT :—" Is the answer to the short notice question ready or may it be taken up to-morrow? "

THE HON. SRI T. PRAKASAM :—" I am not sure if it will be ready to-morrow. We might have it day after to-morrow if you please, Sir."

MR. PRESIDENT :—" Yes."

[*Note.*—**An asterisk (*) at the commncement of a speech indicates revision by the Member.**]

II.—ANNOUNCEMENT BY THE HON. THE PRESIDENT.

* MR. PRESIDENT :—" I have to announce that the following message, dated Fort St. George, the 10th September 1946, has been received from the Hon. the Speaker of the Legislative Assembly :—

'In accordance with rule 94 of the Madras Assembly Rules, I transmit a copy of the Madras Essential Articles Control and Requisitioning (Temporary Powers) Bill, 1946 (L.A. Bill No. 2 of 1949), as passed by the Assembly on the 10th September 1946 and signed by me for the concurrence of the Council '."

GOVERNMENT BILL.

III.—THE MADRAS TENANTS AND RYOTS PROTECTION BILL, 1946, AS PASSED BY THE LEGISLATIVE ASSEMBLY.

THE HON. SRI K. R. KARANTH :—" Mr. President, I move—

' *that the Madras Tenants and Ryots Protection Bill*, 1946, *as passed by the Legislative Assembly, be taken into consideration.*'

" In making this motion, I shall briefly explain the objects and scope of the Bill. Hon. Members are aware that a Committee was appointed by the Congress Government in 1938 regarding the Estates Land Act. It went exhaustively into the question of tenures and the condition of tenants in estates and made its report. Similarly for the district of Malabar a Committee called Kuttikrishna Menon Committee was appointed by the Congress Government and that Committee examined the question of tenancy in Malabar and made a report. There are two reports on these questions. With regard to the latter report, the Adviser Government have kept it aside on account of the war and after this Government came into office, the Board of Revenue has been asked to go through its recommendations and then to report upon them. A special officer is also going into them. Pending consideration of these matters, it has now been brought to the notice of Government that a large number of suits and eviction proceedings are pending in the areas covered by these two reports. A large number of tenants are likely to be evicted in case a stay legislation of this kind is not brought in. This legislation is brought in so that necessary relief may be granted before the main legislation on both these questions are brought in. I understand that in the district of Malabar, there are pending about 9,000 suits involving eviction of which 5,000 are in North Malabar and 4,000 in South Malabar. Apart from these there are execution and other proceedings pending. Generally, this will be the position with regard to the Estates Land Act areas also.

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" For the purpose of giving the tenants a breathing time before the main legislation is brought in, this legislation has been brought in. It is the intention of Government to bring in the legislation as early as possible, even in the course of this year itself.

" In order to see that there is no real hardship to the landlord, it has been provided that the tenant must pay two years' rent in respect of the past period and in future also he must make the necessary annual payments. Provision has been made to make over to landlords deposits made by the tenant in courts where there is no dispute. Safeguards have also been provided against cases of waste and the powers of the courts under section 94 of the Civil Procedure Code to appoint Receivers or to do other things are also reserved. If in any particular class of cases it is brought to the notice of Government that there is real hardship, powers have been taken under clause 5 to cancel stay and allow proceedings to go on. Clause 7 is of the usual kind, so that if there are any difficulties, they may be removed.

" In this connexion, I beg to submit that yesterday a difficulty was brought to my notice by my hon. Friend Mr. Narayana Menon. It was a difficulty which was not foreseen by me earlier. Two years' rent is compulsorily payable under the existing provision. In the case of suits which were filed three or four years ago where the amount claimed in the plaint may be very small, say ten rupees, for all this period of two or three years of the pendency of the suit, there would be no payment at all. That kind of cases must also be covered. I found the objection was genuine. Therefore, I am moving an amendment though it would involve the Bill going back to the other House. An injustice like that which was pointed out must be remedied. I request the House to accord their whole-hearted support; in the other House also, it met with unanimous approval and I request the House therefore to pass the Bill."

* DR. V. K. JOHN :—" Mr. President, I congratulate the Hon. Minister on introducing this measure which I consider to be absolutely necessary and I am also very pleased that, when some difficulty was pointed out, he was ready to get it amended by this House.

" Personally, I feel that by providing for a period of two months within which to pay the rent, Government are taking away by one hand what they gave with the other. In practice, it will not mean much of a benefit to the tenant if, in order to get the benefit of this measure, he has compulsorily to pay two years' rent within a period of two months either after the commencement of the Act or the institution of the suit. After the institution of the suit, it will take perhaps a month or two for him to receive the summons and that would mean that he would have to pay it immediately. In a large majority of cases, tenants find it very difficult to pay rent and the Malabar Tenancy Act provides that if rent for three months is not paid, there can be a suit for eviction. It would be a very great hardship for the tenant to be told that to get the benefit of the provisions of this Act he must pay the rent within the period laid

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down here. On the other hand there could have been an unconditional provision to the effect that a tenant shall not be evicted at all. I have every hope that when Government introduce comprehensive legislation bearing on this question, they will give protection to the cultivating tenant so that he will not be evicted, but he will be enabled to become the owner of the land. Instead of it being unconditional, you have imposed a condition and in practice,
12-15 p.m. it will be found that this Act which has been brought with very good intentions in order to help the tenant, may not help him at all. Besides, it is the practice in almost every court that when something is paid, the execution proceedings are stayed. Now under the Act he must pay 2 years' rent. If a man pays 6 months' rent or 1 year's rent and asks for stay the District Munsif or the District Judge will be helpless and cannot give time and adjourn proceedings. I put it to the Minister that he will not be conferring any benefit on the cultivator.

" Then, Sir, providing for a period of two years for this Act is wrong. This Act is to operate till another legislation is brought in and that enactment must surely repeal this enactment. I can understand under certain set of circumstances, brought about by a declaration of war, a legislation may be in force for the duration of the war or for a period of years. But this Act is brought with the express intention, as mentioned in the Statement of Objects and Reasons, of bringing another piece of legislation. Why mention a period of two years? That legislation, the Hon. Minister says, will be introduced in one year, and it will certainly repeal this Act. I say that it is not in order to provide in a Bill like this for a period of operation for this Bill.

" It is against principle, in my opinion, to provide as they have provided in clause 6 ' all suits and proceedings . . . stayed '. I say, Sir, that is legislating by an Act after the expiration of that Act. We want to make a provision when this Act expires the other Act can be enforced. I think the House ought not to take responsibility for such a clause. I put it to the Hon. Minister that there is no need for a clause like clause 6 which says ' after the expiration of this Act be proceeded with, subject to the provisions of any law which may then be in force, from the stage which had been reached when the suit or proceeding was stayed.' I can understand a particular period being mentioned and for that, this Act can provide for something, but ' on the expiry of the Act ' one cannot understand how it can operate. When an Act expires, other Acts bearing on the question automatically apply, without it being stated in an Act which lapses. How can you provide for something after the expiration of the Act and not after the expiration of a period of time. This is bad drafting.

" There is a proviso to clause 6 ' provided that in the case . . . defendant.' This provision is redundant. There is a provision in section 35 (*a*) of the Civil Procedure Code providing that when a suit is vexatious, or false, compensation can be paid to the extent of Rs. 1,000. The proviso to section 6 of this Bill says, if a suit is dismissed the plaintiff will not get costs at all. That is the general law. Here is a provision that if a suit is vexatious or

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unnecessary, the court can deprive the plaintiff of his costs. The court has a discretion to deprive a plaintiff of his costs even if his suit is decreed. I do not see the necessity for providing in this Act for what the courts are already competent to do. Section 35 (*a*) of the Civil Procedure Code provides for compensation. I suggest to the Hon. Minister that clause 6 may be omitted because it is providing for something after the expiration of this Act, and it is providing for something which is already provided.

"I also suggest to the Hon. Minister that while clause 5 only takes power for the Government to order that suits and proceedings may be proceeded with, the Government should also take power to stay proceedings if required. Now clause 4 provides for payment of rent and stay of suits on condition that rent is paid. There may be cases of poor tenants being unable to pay within two months two years' arrears. Government know that in spite of legislation protecting the tenants, there are 9,000 eviction suits in Malabar, and 5,000 suits in other districts. Clause 5 provides power to order the court that proceedings shall be proceeded with. I suggest to the Hon. Minister to take power also to stay proceedings even though the conditions provided in clause 4 may not be fulfilled. If they have that power and after a month, they find evictions are going on on account of the inability of the poor to pay the rent, they can exercise that power and stay proceedings. Now they have not the power and thus there is no question of exercising it. They have provided for payment of rent within two months and stay of suits. Courts have no power to stay suits. Formerly courts had the power to stay and adjourn proceedings if part of the amount due was paid. You take away that discretion now. Actually this Bill is more in favour of the landlord than the tenant. I suggest, Sir, that if, Government's intention is to assist the tenant, it is very much better to take power, to order the staying of certain classes of suits in spite of clause 4. He may amend section 5 as well for the purpose of taking larger powers for Government if it is the intention in this Act to assist the cultivating tenant and save him from being turned out of his land."

* Sri K. NATARAJAN :—"Sir, the principle underlying the Bill is to protect the tenant. We know, Sir, proceedings are sought to be stayed. There need be no stay for suits for exchange of pattas and also proceedings for appraisement. There is also another procedure in the Estates Land Act, namely, distraint of movable property including food crops, that if the Government really is intent on protecting the status of the tenants, I would have expected the proceedings taken by the landlord for distraint of movables and crops also are stayed. I do not personally know what the reasons are that prompted Government to see that this category of proceedings should not be stayed. This category of proceedings is more harassing to the tenant and the ryots than proceedings for eviction. These are immediate summary proceedings whereas proceedings for eviction are legal proceedings, and they take some time, and remedies are available in law courts. I wish therefore this may be considered by Government, especially

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when the Bill is going back to the Legislative Assembly for the purpose of confirming the amendment made in this House. Nor is it desirable to bring in a supplemental legislation for this purpose.

" I have got two more suggestions. Even under the Estates Land Act, there is a section, section 151, which provides for the eviction of the ryot on the ground that he is making a serious waste of the property, and a series of succeeding sections provide the procedure for that purpose. Here in this Bill in addition to that procedure what is contemplated is a remedy provided by section 94 of the Civil Procedure Code. The Estates Land Act has already got this provision for the purpose when eviction proceedings are taken by the landlord on the ground that the ryot is making a waste of the property. I believe, therefore, it will not be necessary to invoke the aid of section 94 of the Civil Procedure Code. I would urge on the attention of the Minister that section 3 of the Bill gives room for a certain state of affairs which I am sure was not contemplated by the framers of the Bill. Under section 3 no holdings of a tenant shall be liable to be sold or brought to sale in pursuance of a decree or other proceedings for recovery of rent. This section as it is worded may perhaps convey the idea that all suits and proceedings are included, and it may be argued that ordinary evictions in execution of suits for recovery of money due to decree-holders against judgment-debtors, who happen to be ryots will also have to be stayed. It is not clear if it is the idea of the Hon. Minister that such decrees also should be stayed. I suggest that the section may be made clearer so as to stay execution proceedings by the ordinary money decree-holders or mortgage decree-holders against tenants stayed. A trespasser may put in an application before the court that he has got the status of a tenant. Already the section under the Estates Land Act provides for eviction of trespassers.

" The sections of the Estates Land Act may be retained as a
12-30 p.m. saving clause with reference to trespass. This is all that I want to suggest. Then as regards the last clause, viz., if any difficulty arises in giving effect to the provisions of this Act, the Provincial Government may, by order, do anything which appears to them necessary for the purpose of removing the difficulty. This kind of power to remove difficulties however apposite and appropriate it may be to the provisions of the Local Boards Act need not be contemplated here. Because the machinery contemplated under the Estates Land Act is so very comprehensive that it would cover unforeseen and unforeseeable circumstances. I speak subject to correction that this section will be a little out of place in a section which deals with substantive rights and regulates the special rights conferred upon individuals. This is all I have got to say."

* Sri K. MADHAVA MENON :—" Mr. President, Sir, this piece of legislation is not at all too early. The Malabar Tenancy Act of 1929 required amendments very badly and a committee was appointed by the Congress Government in 1938, but before its

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findings could be given effect to, the Ministry resigned. The defects in that Act were so glaring, because it gave a sort of loophole to the landlord to evict the tenant for the *bona fide* purpose of his cultivation or cultivation by any members of his family. That was interpreted by the High Court to mean that, if a landlord expresses his intention that he wants to cultivate for his own purposes, a decree of eviction should be passed. It was too much even for the Advisers' regime. The Advisers' regime thought that that was not the intention of the Act and amended it by saying that the *bona fide* has to be proved before eviction. In spite of the amendment, as the Hon. the Revenue Minister has said, more than 90 per cent of the suits pending in the courts of Malabar are for eviction of tenants. My lawyer friends of Malabar have been telling me that their profession will go if this piece of legislation is passed. Even at the risk of lawyers losing some cases, protection has to be given to the tenants because we know that the number of cases has increased and additional courts have been established in Malabar. Fortunately or unfortunately, people have large sums of money. Money suits are not much in evidence there, because every debtor pays his debt. Ninety per cent of the suits in Malabar are for eviction of tenants. Because there is the fear that the Congress Government originated the tenancy legislation before and that tenancy legislation may come very soon, the number of suits for eviction of tenants are in galore there. So this is just the time that the Revenue Minister has brought forward this piece of legislation to stay suits.

" Mr. Natarajan was complaining that simple money decrees might be stayed. My complaint to the Revenue Minister was that there was a loophole which my lawyer friends might find here that the landlords can obtain a simple money decree and attach all his bulls, and his articles, and arrest his person. I feel that within six months or a year, the necessary legislation will come. On that ground I do not want to postpone this Act even by a minute. So I do not want to suggest any amendment to this Act.

" After the publication of this Bill, I have heard the criticism that relief was given to agriculturists by the Madras Agriculturists Debt Relief Act six years ago in that if he had paid two years' rent then, all the prior rent was exhausted. Why should a moratorium should be given now again after six years? I may tell for the information of the House that a large number of tenants could not take advantage of the provision in that Act to pay two years' rent, because the rent was so high and they had no money. When that is so, certainly it is just to see that the Act is amended and relief given.

" I do not agree with Dr. John that the period of two months allowed to deposit the rent is not sufficient. Times have changed now. The tenants have got money, and every tenant knows that this Act will give him two months time. Two months after passing this Act is quite sufficient, and no hardship is likely to occur. So this piece of legislation is absolutely timely and I am sure the people of Malabar—I do not know the conditions in other parts of

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the Province—will be only too grateful to the Government for having taken up this and given relief by staying the suits and the execution of decrees.''

* THE HON. SRI K. R. KARANTH :—'' I could not fully understand the objection of my learned Friend Dr. John. When he came to the question of proviso to clause 6 about the plaintiff being deprived of the costs of suit I thought his sympathies were more with the plaintiff than the defendant. The landlord will be the plaintiff in these cases. When he came to the provision relating to payment of rent he wanted to go much farther than the Government is prepared to go. I submit that it was after deep consideration that the provision of two years was inserted. I have heard, Sir, that in the Estates Land Act area there were some decrees pending which involve rents of 12 years, which are about to be time-barred under the Civil Procedure Code. So taking all these things into consideration we thought two years was a reasonable period, because there must be some limit. If it is less than two years the tenant has to pay whichever is less and not more. That there should be a stay all over without asking the tenant to pay anything might be a popular argument. But it would not be to hold the scales justly between the landlord and the tenant, though in cases like these some sort of equity is needed in favour of the tenant. As regards the time there can be no hardship because we have provided under clause 4, sub-clause (4) that if a party is prevented for sufficient cause from making deposit the court has been given power and discretion to extend the period. Further all the tenants are aware of this Bill and there is time given for payment.

'' Then I will deal with other points which I may submit are not material. For example my hon. Friend asked : ' After the expiration of the period how can this Bill enact for anything? ' It is quite common for people to execute wills for the future as to what would happen after they die. Similarly this legislation says that after the period provided for is over, all suits stayed under this Act shall be proceeded with from the stage which had been reached when they were stayed. If the main legislation comes which might cover the same ground, all these suits will be proceeded with from the stage at which they were stopped by this legislation. As regards the proviso to clause 6. at the worst it can only be called redundant and nothing more. Then my friend asked : ' What is the need for this proviso dealing with costs when there is section 34 of the Civil Procedure Code? ' I am quite aware of those provisions as much as the hon. Doctor. But here it is for this purpose. The idea of this legislation is that the landlords should not rush to courts on a large scale in order to evict tenants. It may be that a man who can afford to wait for a little longer before the period of limitation expires may rush to court and file a suit. In a normal case, the suit is likely to be decreed and the plaintiff will get his costs. But here it is necessary that a contrary provision should be put in. But the provision made here is not even compulsory. The court *may*, if satisfied that such a suit is vexatious or unnecessary, deprive the plaintiff of his costs.''

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* Mr. PRESIDENT :—" If the court is satisfied that evictions are unnecessary, the suit is dismissed with costs."

* The Hon. Sri K. R. KARANTH :—" Suppose, Sir, the limitation is one year or more. The landlord can wait. But still he files in order to mulct the defendant with costs. One of the consequences of the suit will be that expenditure would have been incurred. He takes advantage of the ordinary law in order to mulct the defendants with costs. Under such circumstances, he could well afford to wait. In such cases, a direction is given under this Bill, which is not compulsory or mandatory, that landlords who rush to courts and file suits unnecessarily may be deprived of the costs, whereas normally it is not so. The provision gives discretion to the courts.

" With regard to the power of stay, I am glad that the hon. Doctor, who strongly objected to the Government taking any power yesterday in another Bill and said that it was opposed to democracy and so on, is kind enough to go much further to-day and say for the classes of suit mentioned here, Government should take power to do anything they like, anything they think necessary. If, however, I had put in a clause to that effect, I would have been out of court. At least the other members would have opposed it much more than what they did with regard to the Bill of yesterday. Therefore I cannot accept the advice which the hon. Doctor has given in that behalf. I wish I can always take power, but it is not necessary to do so.

" The question of distraint of movables was raised by my hon. Friend Mr. Natarajan. The object of this legislation is to see that the tenants are kept on to their holdings till we bring in the main legislation. If we are straightway to wipe off all rents so that there may be no distraint, the public and the Legislature might not be able to go the whole hog with the Government, and therefore it is that we are having clauses to provide for payment of two years rent. Here we have said : Let them be kept on to their holdings by a certain simple remedy. It is impossible to cover all cases or to remove all distraints. I know that distraint of movables leads to hardship. But this is a matter which can be justly dealt with in the main legislation and not in the present Bill.

" Clause 7 was referred to by my hon. Friend Mr. Natarajan. If I am not mistaken, it was suggested by one hon. Member on the other side that if the Hon. Minister for Local Administration had put the clause as I had put it, there would have been no difficulty whatever. Here what we have done is simply to provide that if any difficulty arises in giving effect to the provisions of this Act, and not for anything else, the Government may by order do anything which appears to them necessary for the purpose of removing the difficulty. These are very small matters. The main principles of the Bill are, I take it, agreed to, and I hope the Bill as it stands might find the acceptance of the House."

The motion was put and carried.

Clause 2 was put and carried.

Clause 3 was put and carried.

Clause 4.

* THE HON. SRI K. R. KARANTH :—" I move—

'*For clause* 4 (2), *the following shall be substituted* :—

" (2) *Where in a suit for eviction there is also a claim for rent, the tenant shall within two months from the date of the commencement of this Act or of the date of the institution of the suit, as the case may be, deposit in court, for payment to the landlord*—

(i) *in the case of a suit instituted before the commencement of this Act, the arrears of rent accrued due until the date of the commencement of this Act, at the rate claimed in the plaint or an amount equivalent to rent for two years at the rate aforesaid, whichever is less,*

(ii) *in the case of a suit instituted on or after the commencement of this Act, the arrears of rent claimed in the plaint, or an amount equivalent to rent for two years at the rate claimed in the plaint, whichever is less,*

together with such interest as may be payable under law, custom or agreement ".'

" As I have already submitted, the difficulty in the old clause was this. While it provided for payment of two years' rent in the case of decrees already passed and suits to be filed hereafter there was one class of cases not foreseen. In a case pending for some considerable time a man paying ten rupees also would get a stay. This provision is to provide for payment of two years' rent in such cases also."

The amendment was put and carried.

* K. T. M. AHMED IBRAHIM SAHIB BAHADUR :—" I move that—

'*sub-clause* (8), *shall be re-numbered as sub-clause* (8) (*b*) *and the following shall be added as* (8) (*a*) :—

' (8) (*a*) *Where the landlord has increased the rate of rent or amount of rent and the tenant or ryot has nnot agreed to such invrement the amount to be deposited under sub-clause* (2) *or sub-clause* (5) *shall be the admitted amount of rent or the amount calculated on the basis of the rate of rent or amount of rent that was being paid prior to such increment, whichever is greater* ".'

" This amendment is intended to give relief to the tenant or the ryot. Cases have occurred recently where with a view to harassing the tenant the rents have been increased and in such cases it is intended that the ryot may be allowed to deposit rent on the basis of the old rate which has been in vogue before enhancement. It is but just and reasonable that the ryot should be allowed

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to pay the rent at the existing rate and not the rent newly claimed by the landlord. It is just and legitimate relief that is sought to be given and you are not taking away the right of the landlord. It will give hardship neither to the tenant nor to the landlord. I hope Government would accept it."

* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—" I second it."

* THE HON. SRI K. R. KARANTH :—" I beg to submit that it is not possible for me to accept the amendment. It will introduce unnecessary complications. My hon. Friend's amendment does not say any period of time within which the increase might have taken place. The court will have to go into each case to see whether the rent has been increased and when it has been increased. It is unnecessary to introduce such complications. On the other hand he will find that wherever there is a dispute the court is empowered to make over such payment as it thinks fit. In a stay matter like this it is not advisable to get into complications. After all the stay must be for a small period."

* K. T. M. AHMED IBRAHIM SAHIB BAHADUR :—" If the Government is willing to limit the period of increase to two years or even one year I have no objection. In anticipation of some legislation they would have increased the rent and it is to obviate that difficulty this is suggested."

* THE HON. SRI K. R. KARANTH :—" I have nothing more to add."

The amendment was put and lost.
Clause 4 as amended was put and carried.
Clause 5 was put and carried.
Clause 6 was put and carried.

Clause 7.

* K. T. M. AHMED IBRAHIM SAHIB BAHADUR :—" I move—

' *In clause 7, for the words " do anything which appears to them necessary " the words " do whatever is necessary " shall be substituted.*'

" The reason for this is obvious. Anything that appears necessary to a particular person need not be reasonable. There must be some kind of check. ' Appears necessary ' does not seem to be reasonable and proper."

HAMID SULTAN MARAKKAYAR SAHIB BAHADUR :—" I second it."

* THE HON. SRI K. R. KARANTH :—" The amendment is not necessary. ' May do anything which appears necessary ' is governed by the first part of the clause, viz., if any difficulty arises to give effect to the provisions of this Act and not to do anything beyond the scope of the Act."

The amendment was by leave withdrawn.

Clause 7 was put and carried.

Clause 1 was put and carried.

The Preamble was put and carried.

THE HON. SRI K. R. KARANTH :—" I move—

' *That the Bill be passed into law* '."

The motion was put and carried.

IV.—INCREASE IN THE MAXIMUM AMOUNT OF THE GUARANTEE GIVEN BY THE GOVERNMENT IN RESPECT OF THE DEBENTURES ISSUED BY THE MADRAS CO-OPERATIVE CENTRAL LAND MORTGAGE BANK, LIMITED.

* THE HON. SRI V. V. GIRI :—" I beg to move the following resolution :—

' *This Council recommends to the Provincial Government that they may, under sub-section* (2) *of section* 6 *of the Madras Co-operative Land Mortgage Banks Act,* 1934, *increase the maximum amount of guarantee given by them in respect of the debentures issued by the Madras Co-operative Central Land Mortgage Bank, Limited, up to a total face value of Rs.* 400 *lakhs, exclusive of such debentures as the Bank may from time to time redeem such debentures being issued for periods not exceeding in any case* 25 *years from the date of issue and bearing interest at a rate not exceeding* 5 *per cent per annum*.'

" An explanatory note[a] has been circulated to the hon. Members of the House. I do not propose to make any speech at this stage and the resolution is now before the House.

" Section 4 of the Madras Co-operative Land Mortgage Banks Act empowers the issue of debentures by the Bank on the security of mortgages and other assets transferred by mortgage banks to the Central Land Mortgage Banks. Under Section 5 of the Act, the Registrar is the trustee whose previous sanction has to be taken.

" Under Section 6, the Government of Madras may guarantee the debentures issued by the Central Land Mortgage Bank, and under section 6 (2), the Government may, after consulting the Legislature, increase the maximum amount of any guarantee given by them.

" On the 31st of August 1946, debentures of the value of Rs. 3,49,61,500 were in circulation. The guarantee is therefore exhausted.

" The bank can issue debentures only to the extent of the loans disbursed by it on the security of first mortgage of agricultural lands in the Province of Madras.

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[a] Printed as Appendix IV on pages 414-415 infra.